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This article from Mr. Mossberg says everything.

Consumers lose in proposed Justice

Department settlement with Microsoft Posted on December 31, 2001

By WALTER S. MOSSBERG

It has been a terrific year for Microsoft, but average consumers of its products haven't fared so well.

Microsoft made major progress in its goal of using its Windows operating system to push its other products and services at the expense of its competitors. Consumers are the losers.

software giant was under the breakup, having been found judge of violating antitrust

threw out the breakup order
lower-court judge, although
his findings. The seven
unanimously that Microsoft was
the antitrust laws by
into its Windows
to freeze out other

the court said Microsoft
Windows in a way that
ability of users to
companies' products
it was OK to add features
weren't added mainly to

When 2001 started, the threat of a court-ordered guilty by a federal district laws in multiple ways.

In June, an appeals court and harshly criticized the it upheld the legal core of appeals judges ruled a monopoly that had violated integrating its Web browser operating system in an effort browsers.

Expressed in plain English, shouldn't be allowed to design limits consumer choice - the discover and easily use other and services. The court said to Windows, as long as they maintain Microsoft's monopoly.

company went on to launch
Windows XP - that
into the operating
crucial to extending
next battleground:
it added these features

allows users to easily
authenticate their
to order prints of photos
features work only with
Internet services, or
that pay Microsoft for
Competing services,
better-established or more popular
integrated into Windows XP in
are less likely to turn

more breathtaking
online competition. It
Windows XP a feature whereby
automatically add
across the Web, without the
These Microsoft-imposed
Tags, would have led
those of its partners.
feature only after it was
sparked a massive
right to try again.

behavior, you'd expect the adversely. Instead, it has antitrust case in a way that conduct unfettered.

Despite this decision, the a new version of Windows continued to integrate tightly system new features that are Microsoft's monopoly onto the Internet-based services. And in a way that hinders consumer choice. For instance, Windows XP perform instant messaging, to identities across the Web and on their hard disks. But these Microsoft's own proprietary services owned by companies inclusion in Windows XP. including those than Microsoft's, aren't the same smooth way, so users to them. Microsoft attempted an even attack on consumer choice and tried to integrate into the built-in Web browser would links to millions of sites permission of the owners. links, called browser Smart users to Microsoft's sites and The company dropped the discussed in this column and outcry. But it reserved the Given this unrepentant

Given this unrepentant

Justice Department to react

proposed to settle the

would leave this sort of

October, now pending
judge, does bar some
But much of it pertains
with the hapless makers of
position to defy Microsoft. It
except indirectly; it's
Microsoft's competitors or
the past, not the future
It doesn't touch the
Windows XP to extend its

building new features or
Windows? Nothing, per se. I
who assert that
feature that other
separately. A more useful
The problem is the

Windows XP contains a instant messaging. But that about which service a use the America Online the built-in Windows do so, just as I can use e-mail program with Instead, Microsoft has wired

it common in a free
one of their products to
AOL use its online
made by its Warner
Wall Street Journal run
publications and Web

The settlement reached in before yet another federal offensive Microsoft behavior. to the company's relations PCs, which aren't in any isn't about consumer choice, more about placating partners. And it's all about battle in Internet services. company's ability to use monopoly to these new areas. What's wrong with Microsoft gateways to services into have never agreed with critics Windows shouldn't contain any companies want to sell Windows is good for consumers. way these features are designed. It's great, for example, that built-in interface for doing interface should be neutral consumer wants. If I prefer to instant-messaging service with interface, I should be able to the built-in browser and non-Microsoft services. the interface to its own service. So what, some might ask? Isn't market for companies to use cross-promote another? Doesn't service to boost the movies Brothers studios? Doesn't The ads and plugs for its sister

other companies aren't and when you're a different rules, as the

Justice Department
bad for consumers. It isn't
consumer choice. It
nettlesome case out of

shouldn't try to destroy or require the software choice in its dominant Unfortunately, in 2001, that's not

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sites?

The difference is that these court-certified monopolies, monopoly, you have to follow appeals court said.

So, in my view, the proposed settlement with Microsoft is about preserving or enhancing seems to be about getting the the government's hair.

Our government and courts run Microsoft. But they should monopoly to expand consumer operating system.

what happened.

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